

House Concurrent Resolution No. 17

91ST GENERAL ASSEMBLY

4233L.011

Whereas, the Federal Unemployment Tax Act provides states with federal funds
2 to assist them in the administration of their unemployment compensation laws; and
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Whereas, while currently there is no full and mandatory funding of the state
4 administration of the unemployment insurance (UI) and employment service (ES) programs,
5 H.R. 2962, the "McCrery Bill", would require full and mandatory funding for the state
6 administration of the UI and ES programs; and
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Whereas, under current federal law, when all of the federal accounts in the
9 Unemployment Trust Fund exceed their statutory ceilings, the excess is distributed to the states
10 through "Reed Act" distributions to maintain sound UI and ES programs; and
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Whereas, the United States Congress has used what should have been Reed Act
13 distributions to the states in the past to cover the cost of other federal activities, which has
14 resulted in the underfunding of the administration of state UI and ES programs and excessive
15 federal unemployment taxation to fund other federal spending; and
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Whereas, H.R. 2962 would lower the statutory ceiling for the Federal
18 Unemployment Account thereby increasing the Reed Act distributions to the states and puts in
19 place a mandatory distribution schedule so that the states will actually receive more federal funds
20 for the administration of their unemployment compensation laws; and
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Whereas, while Missouri is currently receiving a 41.6 percent return to the state
23 on the federal taxes collected in this state pursuant to the Federal Unemployment Tax Act, other
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25 states such as Alaska, Wyoming, and North Dakota are receiving a 247.3 percent, a 117.8
26 percent, and a 110.1 percent return respectively; and
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28 **Whereas**, the terrorist attacks of September 11, 2001, and the slowing of the
29 economy have increased the number of dislocated workers and the unemployed, resulting in a
30 greater need for assistance for such workers and placing an increased burden on Missouri's
31 unemployment compensation system:
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33 **Now, therefore, be it resolved** that the members of the House of
34 Representatives of the Ninety-first General Assembly, Second Regular Session, the Senate
35 concurring therein, hereby support H.R. 2962 and urge the United States Congress to enact such
36 legislation to increase the Federal Unemployment Tax Act funds that are distributed to the states
37 for the administration of their unemployment compensation laws; and
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39 **Be it further resolved** that the Chief Clerk of the Missouri House of
40 Representatives be instructed to prepare properly inscribed copy of this resolution for the
41 Speaker of the United States House of Representatives, the President of the United States Senate,
42 the Secretary of the United States Department of Labor, and each member of the Missouri
43 Congressional delegation.